

MORTGAGE LENDER BOND

Bond Number: _____

WHEREAS, the Division of Banks' ("Division") regulation 209 CMR 42.03(2)(a)(2), requires a licensed mortgage lender ("Principal") to furnish a surety bond in an amount based upon the Principal's aggregate mortgage loan volume in Massachusetts, the Principal is required to furnish a surety bond in the amount of _____ and to file the same with the Treasurer and Receiver General of the Commonwealth of Massachusetts for the use of the Commissioner of Banks ("Commissioner").

NOW THEREFORE KNOW ALL PERSONS BY THESE PRESENTS

That _____ of _____

(insert full physical address), a corporation duly organized under the laws of the
State of _____, as Principal, and _____
_____ as Surety, a corporation incorporated under the laws of the State of _____
and authorized to transact business in the Commonwealth of Massachusetts, are held and firmly bound unto the Treasurer and Receiver General of the Commonwealth of Massachusetts, or his successor, to which payment well and truly to be made for use of the Commissioner under the provisions of General Laws Chapter 255E, and the Division's regulation 209 CMR 42.00 *et seq.*, Principal and Surety hereby jointly and severally bind themselves, their heirs, executors, administrators, successors, and assigns firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS THAT, in the event of insolvency, liquidation or bankruptcy of the Principal, or the expiration, surrender, or revocation of the relevant license, this bond shall continue to be held by the Treasurer for a period of twelve months from the date of such insolvency, liquidation, or bankruptcy of the Principal, or the expiration, surrender, or revocation of the relevant license, unless otherwise directed by the order or judgment of a court of competent jurisdiction, and may be used exclusively by the Commissioner for the benefit of consumers or borrowers for the reimbursement of consumer fees or other charges determined by the Commissioner to be improperly charged or collected, and to satisfy any past due Division costs, assessments, penalties, or other obligations which have been charged to the Principal. In the event of the insolvency, liquidation, or bankruptcy of the Principal, or the expiration, surrender, or revocation of the relevant license, any claim payments due from the Surety under the terms of this bond shall be paid to the Treasurer and Receiver General of the Commonwealth of Massachusetts for disposition in accordance with the applicable provisions of the Massachusetts General Laws Chapter 255E, and the Division's regulation 209 CMR 42.00 *et seq.* Nothing contained herein shall prevent the Treasurer from continuing to retain possession of this bond, or its proceeds, in the event of ongoing litigation involving the Principal.

If the Principal, its officers, employees, and agents faithfully perform any and all written agreements or commitments with consumers or borrowers; correctly and accurately account for all funds received from a consumer or borrower in the conduct of the licensed business; and operate the licensed business in accordance with Massachusetts General Laws chapter 255E, and the statutes, regulations, rules, and regulatory bulletins applicable to the conduct of the licensed business in Massachusetts, then this obligation shall be void, otherwise to remain in full force and effect to address any violations of such obligation(s).

This bond shall become effective upon execution by the Surety and shall be continuous in nature and continue in force and effect as to future acts or omissions of the Principal unless it is terminated or cancelled:

- (1) By order of the Commissioner; or
- (2) By the Surety delivering not less than thirty (30) days written notice to the Principal, the Treasurer and Receiver General of the Commonwealth of Massachusetts and the Commissioner that the same will be cancelled. The filing of such notice shall not discharge the Surety from any liability already accrued under this bond or which shall accrue herein before the expiration of such thirty (30) day or applicable period.

Such cancellation or termination shall not affect any liability incurred or accrued hereunder prior to the termination of the thirty (30) day period of notice if terminated by the Surety, provided, however, that regardless of the number of years this bond remains in force, or the number of times the bond is renewed, the aggregate liability of the Surety shall, in no event, exceed the full sum of this bond.

IN WITNESS WHEREOF we have hereunto set our hands and seals:

BY: _____ BY: _____
Principal Date Surety Company Date

Then personally appeared the above-named Principal on the _____ day of _____, 20____, and acknowledged the foregoing instrument as his free act and deed.

Before me,

SEAL

Notary Public